

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

HUNT FOREST PRODUCTS, INC.

AI # 1993, 31170

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

* Settlement Tracking No.
* SA-AE-06-0023
*
* Enforcement Tracking No.
* AE-P-03-0382
*
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* Docket No. 2004-2990-EQ
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SETTLEMENT

The following Settlement is hereby agreed to between Hunt Forest Products, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who operates a plywood mill facility located at 1860 Louisiana Highway 524 in Pollock, Grant Parish, Louisiana, and a plywood mill located off of Louisiana Highway 51, one-half mile north of Natalbany in Tangipahoa Parish, Louisiana ("the Facility(s)").

II

On February 18, 2004, the Department issued to Respondent, a Penalty Assessment, Enforcement No. AE-P-03-0382, in the amount of \$4,308.92, which was based upon the following findings of fact:

The Respondent owns and/or operates the Pollock Plywood Mill which is located at 1860 Louisiana Highway 524 in Pollock, Grant Parish, Louisiana. The facility operates under Title V Permit No. 1120-00005-V0 issued on July 21, 2001. The Respondent also owns and/or operates the

Natalbany Plywood Mill which is located off of Louisiana Highway 51, one-half mile north of Natalbany in Tangipahoa Parish, Louisiana. The facility operates under Title V Permit No. 2840-00014-V0 issued on January 27, 2002.

On or about October 23, 2003, file reviews of the Pollock Plywood Mill (Agency Interest No. 1993) and Natalbany Plywood Mill (Agency Interest No. 31170) were performed to determine the degree of compliance with the Act and Air Quality Regulations. The following violations were noted during the course of the reviews:

- A. The Department received the Respondent's semiannual monitoring report dated July 9, 2002, and postmarked July 10, 2002, for the Pollock Plywood Mill for the period encompassing July through December 2001. The Respondent failed to submit the semiannual monitoring report to the Department by March 31, 2002. This is a violation of Part 70 General Condition K of Title V Permit No. 1120-00005-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. The Department received the Respondent's annual compliance certification dated July 9, 2002, and postmarked July 10, 2002, for the Pollock Plywood Mill for the 2001 calendar year. The Respondent failed to submit the annual compliance certification to the Department by March 31, 2002. This is a violation of Part 70 General Condition M of Title V Permit No. 1120-00005-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- C. The Department received the Respondent's semiannual monitoring report dated September 29, 2003, and postmarked October 13, 2003, for the Pollock Plywood Mill for the period encompassing January through June 2003. The Respondent failed to submit the semiannual monitoring report to the Department by September 30, 2003. This is a violation of Part 70 General Condition K of Title V Permit No. 1120-00005-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- D. The Department received the Respondent's semiannual monitoring report dated September 29, 2003, and postmarked October 15, 2003, for the Natalbany Plywood Mill for the period encompassing January through June 2003. The Respondent failed to submit the semiannual monitoring report to the Department by September 30, 2003. This is a violation of Part 70 General Condition K of Title V Permit No. 2840-00014-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

On December 8, 2003, a Notice of Potential Penalty (NOPP), Enforcement Tracking No. AE-PP-03-0350, was issued to the Respondent.

The Department received a response dated December 17, 2003, from the Respondent. The response contained comments relating to the history of events surrounding the violations cited in the NOPP.

On or about January 9, 2004, a meeting was held between a representative of the Respondent and members of the Department. At the time of the meeting, the Respondent's representative provided additional information relating to the cause of the violations and described actions taken to prevent future occurrence of the violations.

III

In response to the Penalty Assessment, Respondent made a timely request for a hearing.

IV

In addition, an inspection conducted by the Department on October 25, 2001, and a subsequent file review conducted by the Department on April 15, 2006, of the Respondent's Pollock Plywood Mill --- LA0081574, AI # 1993, revealed the Respondent exceeded effluent limitations contained in LPDES permit LA0081574. These effluent violations were reported by the Respondent on Discharge Monitoring Reports (DMRs) and are as follows:

| Monitoring Period | Outfall | Parameter | Permit Limitation | Sample Value |
|--------------------------|----------------|------------------------|--------------------------|---------------------|
| 7/1/01-9/30/01 | 001 | Total Organic Carbon | 50 mg/L | 50.9 mg/L |
| 1/1/01-3/31/01 | 101 | Chemical Oxygen Demand | 200 mg/L | 303 mg/L |
| 4/1/01-6/30/01 | 101 | Chemical Oxygen Demand | 200 mg/L | 277 mg/L |
| 1/01/03-3/30/03 | 101 | Chemical Oxygen Demand | 200 mg/L | 245 mg/L |
| 2/1/04-2/29/04 | 101 | Chemical Oxygen Demand | 200 mg/L | 1410 mg/L |
| 7/1/01-9/30/01 | 301 | Total Suspended Solids | 45 mg/L | 68 mg/L |
| 1/01/03-3/30/03 | 301 | Total Suspended Solids | 45 mg/L | 90 mg/L |
| 3/01/05-3/31/05 | 301 | Total Suspended Solids | 45 mg/L | 64 mg/L |

Each effluent excursion constitutes a violation of LPDES permit LA0081574 (Part I, Pages 2, 3 and 4; and Part III, Section A.2), La. R.S. 30:2076(A)(1), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A.

A file review conducted by the Department on April 15, 2006, of the Respondent's Pollock facility revealed the Respondent failed to report the minimum pH values on Discharge Monitoring Reports (DMRs) submitted to the Department for Outfall 001 from 2001 to June 2005. LPDES permit LA0081574 requires the Respondent to report on its DMRs both the minimum and maximum instantaneous pH values measured. This is in violation of LPDES permit LA0081574 (Part I, Page 2 and Part III, Section A.2.), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

A file review conducted by the Department on April 15, 2006, of the Respondent's Pollock facility revealed the Respondent failed to report monitoring results for Outfalls 001 and 101 at the intervals specified in LPDES permit LA0081574 from January 2001 through March 2003. LPDES permit LA0081574 requires monthly monitoring for Outfalls 001 and 101 with results reported on a separate DMR for each month in the quarter. The facility sampled monthly but did not fill out a separate DMR for each month in the quarter. The Respondent's failure to report monitoring results for Outfall 001 and 101 at the intervals specified in LPDES permit LA0081574 is in violation of LPDES permit LA0081574 (Part II, Section K, and Part III, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.4.

A file review conducted by the Department on April 15, 2006, of the Respondent's Natalbany Plywood Mill facility, AI # 31170, revealed the Respondent exceeded effluent limitations contained in LPDES permit LA0097225. These effluent violations were reported by the Respondent on Discharge Monitoring Reports (DMRs) and are as follows:

| Monitoring Period | Outfall | Parameter | Permit Limitation | Sample Value |
|--------------------|---------|-------------------------------|-------------------|------------------|
| July 2003 | 001 | Chemical Oxygen Demand | 200 mg/L | 1480 mg/L |
| March 2004 | 001 | Chemical Oxygen Demand | 200 mg/L | 579 mg/L |
| March 2004 | 001 | Chemical Oxygen Demand | 200 mg/L | 320 mg/L |
| August 2004 | 001 | Chemical Oxygen Demand | 200 mg/L | 207 mg/L |
| December 2004 | 001 | Chemical Oxygen Demand | 200 mg/L | 249 mg/L |
| February 2005 | 001 | Chemical Oxygen Demand | 200 mg/L | 924 mg/L |
| April 2005 | 001 | Chemical Oxygen Demand | 200 mg/L | 264 mg/L |
| May 2005 | 001 | Chemical Oxygen Demand | 200 mg/L | 238 mg/L |
| 10/1/01 – 12/31/01 | 003 | pH (maximum) | 6.0 – 9.0 | 9.6 |
| 01/01/02 – 3/31/02 | 003 | Fecal Coliform (monthly avg.) | 200 col/100 ml | 240 col/100 ml |
| 7/01/03- 9/30/03 | 003 | Fecal Coliform (monthly avg.) | 200 col/100 ml | 324.9 col/100 ml |
| 10/1/03 – 12/31/03 | 003 | Fecal Coliform (weekly avg.) | 400 col/100 ml | 2,000 col/100 ml |
| 4/01/01-6/30/05 | 003 | pH (maximum) | 6.0 – 9.0 | 9.1 |

Each effluent excursion constitutes a violation of LPDES permit LA0097225 (Part I, Pages 2, and 3, and Part III, Section A.2), La R.S. 30:2076(A)(1), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A.

A file review conducted by the Department on April 15, 2006, of the Respondent's Natalbany facility revealed the Respondent failed to sample Outfall 001 in June 2003. The Respondent's failure to sample Outfall 001 is in violation of LPDES permit LA0097225 (Part I, Page 2, and Part III, Sections A.2 and C.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

A file review conducted by the Department on April 15, 2006, of the Respondent's Natalbany facility revealed the Respondent failed to report monitoring results for Outfall 001 at the intervals specified in LPDES permit LA0097225 from October 2001 through December 2002. LPDES permit LA0097225 requires monthly monitoring for Outfall 001 with results reported on a separate DMR for each month in the quarter. The Respondent sampled monthly but did not fill out a separate DMR for each month in the quarter. The Respondent's failure to report the monitoring results for

Outfall 001 at the intervals specified in LPDES permit LA0081574 is in violation of LPDES permit LA0081574 (Part II, Section K, and Part III, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.4.

V

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

VI

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) of which Five Hundred Sixty-one and 45/100 Dollars (\$561.45) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VII

Respondent further agrees that the Department may consider the inspection report(s), the Penalty Assessment, the subsequent inspection report(s) and file reviews, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VIII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

IX

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Grant Parish, Louisiana, and Tangipahoa Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed

or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

HUNT FOREST PRODUCTS, INC.

BY: [Signature]
(Signature)

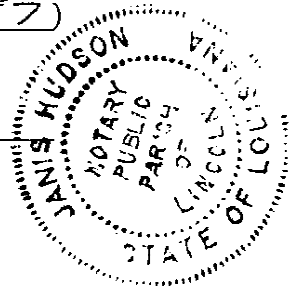
J. H. Hough, Jr.
(Print)

TITLE: Chief Financial Officer

THUS DONE AND SIGNED in duplicate original before me this 17th day of October, 2006, at Ruston, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 53157)

Janis Hudson
(Print)



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: [Signature]
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 9th day of February, 2007, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 20956)
Jed H. Brown, Jr.
(Print)

Approved: [Signature]
Harold Leggett, Ph.D., Assistant Secretary